

AMENDED IN ASSEMBLY APRIL 11, 2013

AMENDED IN ASSEMBLY MARCH 14, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 754

Introduced by Assembly Member Muratsuchi

February 21, 2013

An act to add and repeal Article 5.1 (commencing with Section 18745) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 754, as amended, Muratsuchi. Income taxes: voluntary contributions: California Beach and Coastal Enhancement Account.

The Personal Income Tax Law authorizes individuals to contribute amounts in excess of their tax liability for the support of specified funds. Existing law creates the California Beach and Coastal Enhancement Account in the California Environmental License Plate Fund.

This bill would authorize individuals to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Beach and Coastal Enhancement Account. This bill would require that all moneys contributed to the ~~fund~~ *account* pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement and to the ~~California Beach and Coastal Enhancement Account~~ *Coastal Commission* for grants and programs that preserve, protect, or enhance coastal resources and promote coastal and marine educational activities for underserved communities.

This bill would provide that these voluntary contribution provisions are inoperative and repealed, *respectively*, on the earlier of the following: ~~inoperative on January 1 of the 5th taxable year following the taxable year the fund account first appears on the tax return and repealed on December 1 of that taxable year; or inoperative for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years, and are repealed on December 1 of that calendar year.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 5.1 (commencing with Section 18745) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4
5 Article 5.1. California Beach and Coastal Enhancement Account

6
7 18745. (a) An individual may designate on the tax return that
8 a contribution in excess of tax liability, if any, be made to the
9 California Beach and Coastal Enhancement Account established
10 by paragraph (1) of subdivision (c) of Section 5067 of the Vehicle
11 Code.

12 (b) A contribution shall be in full dollar amounts and may be
13 made individually by each signatory on a joint return.

14 (c) A designation made under subdivision (a) shall be made for
15 any taxable year on the original return for that taxable year, and
16 once made shall be irrevocable. In the event that payments and
17 credits reported on the return, together with any other credits
18 associated with the individual's account, do not exceed the
19 individual's tax liability, if any, the return shall be treated as though
20 no designation had been made. In the event that no designee is
21 specified, the contribution shall, after reimbursement of the direct
22 actual costs of the Franchise Tax Board for the collection and
23 administration of funds under this article, be transferred to the
24 General Fund.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designated accounts on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the “California Beach and Coastal Enhancement Account” to allow for the designation permitted under subdivision (a). The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used for grants and programs that preserve, protect, or enhance coastal resources and promote coastal and marine educational activities for underserved communities.

(f) Notwithstanding any other law, a voluntary contribution designation for the California Beach and Coastal Enhancement Account shall not be added on the tax return until another voluntary contribution designation is removed or as soon as space is available.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18746. The Franchise Tax Board shall notify the Controller of both the amount of money paid by individuals in excess of their tax liability and the amount of refund money that individuals have designated pursuant to Section 18745 to be transferred to the California Beach and Coastal Enhancement Account. The Controller shall transfer from the Personal Income Tax Fund to the California Beach and Coastal Enhancement Account an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18745 for payment into that fund account.

18747. ~~(a)~~ All money transferred to the California Beach and Coastal Enhancement Account, pursuant to Section 18745, upon appropriation by the Legislature, shall be ~~used to~~ allocated as follows:

(a) *To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.*

(b) (1) *To the California Coastal Commission to support eligible programs awarded under the selection criteria established by the*

1 California Coastal Commission for the Whale Tail Grants Program,
2 and for direct program-related expenses.

3 ~~(b)~~

4 (2) All money allocated pursuant to ~~subdivision (a)~~ *paragraph*
5 *(1)* may be carried over from the year in which they were received.

6 18748. (a) Except as otherwise provided in subdivision (b),
7 this article shall remain in effect only until January 1 of the fifth
8 taxable year following the first appearance of the California Beach
9 and Coastal Enhancement Account on the personal income tax
10 return, and is repealed as of December 1 of that ~~taxable~~ year.

11 (b) (1) By September 1 of the second calendar year and each
12 subsequent calendar year that the California Beach and Coastal
13 Enhancement Account appears on the tax return, the Franchise
14 Tax Board shall do all of the following:

15 (A) Determine the minimum contribution amount required to
16 be received during the next calendar year for the ~~fund~~ *account* to
17 appear on the tax return for the taxable year that includes that next
18 calendar year and provide written notification to the California
19 Coastal Commission of the amount determined.

20 (B) Determine whether the amount of contributions estimated
21 to be received during the calendar year will equal or exceed the
22 minimum contribution amount determined by the Franchise Tax
23 Board for the calendar year pursuant to subparagraph (A). The
24 Franchise Tax Board shall estimate the amount of contributions
25 to be received by using the actual amounts received and an estimate
26 of the contributions that will be received by the end of that calendar
27 year.

28 (2) If the Franchise Tax Board determines that the amount of
29 the contributions estimated to be received during a calendar year
30 will not at least equal the minimum contribution amount for the
31 calendar year, this article is inoperative with respect to taxable
32 years beginning on or after January 1 of that calendar year, and
33 shall be repealed on December 1 of that calendar year.

34 (3) For purposes of this section, the minimum contribution
35 amount for a calendar year means two hundred fifty thousand
36 dollars (\$250,000) for the second calendar year after the first
37 appearance of the California Beach and Coastal Enhancement
38 Account on the personal income tax return or the minimum
39 contribution amount as adjusted pursuant to subdivision (c).

1 (c) For each calendar year, beginning with the third calendar
2 year after the first appearance of the California Beach and Coastal
3 Enhancement Account on the personal income tax return, the
4 Franchise Tax Board shall adjust, on or before September 1 of that
5 calendar year, the minimum contribution amount specified in
6 subdivision (b) as follows:

7 (1) The minimum contribution amount for the calendar year
8 shall be an amount equal to the product of the minimum
9 contribution amount for the prior calendar year multiplied by the
10 inflation factor adjustment as specified in subparagraph (A) of
11 paragraph (2) of subdivision (h) of Section 17041, rounded off to
12 the nearest dollar.

13 (2) The inflation factor adjustment used for the calendar year
14 shall be based on the figures for the percentage change in the
15 California Consumer Price Index for all items received on or before
16 August 1 of the calendar year pursuant to paragraph (1) of
17 subdivision (h) of Section 17041.

18 (d) Notwithstanding the repeal of this article, any contribution
19 amounts designated pursuant to this article prior to its repeal shall
20 continue to be transferred and disbursed in accordance with this
21 article as in effect immediately prior to that repeal.